



CANNON BUILDING
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STATE OF DELAWARE
COUNCIL ON REAL ESTATE APPRAISERS

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PUBLIC MEETING MINUTES:	COUNCIL ON REAL ESTATE APPRAISERS
MEETING DATE AND TIME:	Tuesday, September 15, 2015 at 9:30 a.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room A , 2nd floor of the Cannon Building
MINUTES APPROVED:	October 20, 2015

Members Present

Lynn Baker, Professional Member, Chair
Douglas Nickel, Professional Member, Vice Chair
Ronald Mandato, Professional Member
Georgianna Trietley, Professional Member
Patricia Ennis, Public Member
Denise Stokes, Public Member
Frank Long, Public Member
Kevin Gillis, Banking Member

Division Staff/Deputy Attorney General

Kevin Maloney, Deputy Attorney General
Amanda McAtee, Administrative Specialist II
Flora Peer, Administrative Specialist II

Members Absent

Public Present

David May
Lillias Brady
William James Clarke Jr.
Sheila Ross
Susan Horsley
Beverly Wilson

Call to Order

Mr. Baker called the meeting to order at 9:31 a.m.

Review and Deliberation on Hearing Officer Recommendation: Lillias Brady 19-09-12 & 19-07-13

Mr. Maloney stated that Mr. Mandato was recused from the case as he was the contact person.

Ms. Brady was sworn in at 9:32 am

Ms. Brady thanked Council for allowing her to speak and apologized for her mistakes and stated that she has done everything possible to not repeat these mistakes. Ms. Brady asked the Council to reconsider the 90 day suspension, stating that 90 days without the source of income would end her 30 year career as an appraiser.

Mr. Maloney stated that Council would go into deliberations to form a motion.

The Council went into deliberations at 9:35am.

The Council reviewed the hearing officer recommendations. Mr. Nickel stated that he counted a total of 8 violations and that Council had the ability to fine for each violation. Mr. Maloney stated that the fine for each could not exceed \$500.00. Mr. Baker stated that he agreed with the recommended discipline.

The Board came out of deliberations at 9:40am

Mr. Nickel made a motion, seconded by Ms. Stokes, to impose probation for 9 months, a monetary penalty of \$3000.00 and review of a random sample of Ms. Brady's appraisal reports to be completed during the period of probation at approximately 30 day intervals. The motion carried by majority with Mr. Mandato abstained.

Disciplinary Hearing – Alvin Daviston

Ms. McAtee stated that Mr. Daviston called at 9:13am, he had a family emergency and would not be able to attend his hearing today. Mr. Daviston asked if his hearing could be rescheduled.

Mr. Mandato made a motion, seconded by Mr. Nickel to reschedule Mr. Daviston's hearing. The motion carried unanimously.

Disciplinary Hearing - David May

The hearing began at 9:42 am

Mr. Baker introduced himself and Council members introduced themselves for the record.

Mr. May understood he could be represented without Counsel and he was representing himself.

Ms. Plerhoples stated that she had 9 total exhibits in the case.

Exhibit #1 State's Complaint against Mr. May

Exhibit #2 disciplinary order against Mr. May dated Nov 23, 2005

Exhibit #3 disciplinary order against Mr. May dated 3/16/10

Exhibit #4 Respondents appraisal which is the subject of the case today

Exhibit #5 comparable 1-6 in the respondents appraisal

Exhibit #6 second appraisal by Ms. Brown completed on 01/14/15 for subject property

Exhibit #7 Comparable used in the 01/14/15 appraisal by Ms. Brown

Exhibit #8 research into the subject property by Division's investigative dept.

Exhibit #9 comparable received by Division's investigative department by the complaining witness.

Mr. May gave no objections to the exhibits.

The state waived opening statement

Mr. May was sworn in at 9:52 am for his opening statement. Mr. May stated that he completed this appraisal and like all appraisals he pursues them with the greatest concern with the value and despite allegations I did not overlook the high and low ends of the market. Mr. May stated that his client for this appraisal was TSI Appraisal, a 3rd party of Quicken Loans. Mr. May stated that TSI had done their due diligence in researching the property. .

Ms. Plerhoples called states witness, Mr. Layton Ward, to testify. Mr. Ward was sworn in at 9:56 am. Mr. Ward stated that the complaint was received by the Division and it was part of a refinance appraisal. Ms. Plerhoples questioned Mr. Ward about the exhibits. Mr. Ward stated that conclusions reached from investigation, USPAP errors in the appraisal that was conducted by Mr. May so the complaint was forwarded to the Attorney General's office for review. Mr. May cross-examined Mr. Ward.

Mr. Maloney asked if there were any witnesses for the respondent. Mr. May stated that he had no witnesses.

Mr. May stated that he chose the comparable based on his knowledge and experience with the market. Mr. May stated that he did not believe the high end comparable was similar enough to be used. Subject property was older property and he decided to go down the middle of the road and supported it with comparables that were in the town of Lewes and provided data to his client TSI Appraisal. Mr. May stated that since the appraisal in question, TSI Appraisal, has sent him 20 assignments since January of this year and 8 were in Sussex County. Mr. May entered his print out of assignments as evidence, Respondent Exhibit #1.

There were no objections to exhibit.

Ms. Plerhoples questioned if Mr. May frequently completed appraisals in Sussex County. Mr. May stated that he had completed 2 additional appraisals done in that area.

Ms. Plerhoples stated that it was very apparent that the comparables the respondent used were significantly of less value, water front is a big difference, and I deferred to Council for their expert opinion. Ms. Plerhoples stated that there were violations of the statute and in this case Mr. May did not properly use comparable and essentially valued this property if it were not water front.

There is some evidence with the fee simple vs. leased property that he was careless in the appraisal. If Mr. May had he made an adjustment in the location of the comparable he probably would have come in at a closer value to the second appraisal. Ms. Plerhoples stated that this is not the first time this respondent has been before this Council for discipline and she suggested continuing education and monitoring of reports, to the use of proper comparable.

The State rested at 10:58 am

Mr. May stated that this appraisal was completed in a professional manner and it was done based on his investigation and when he signed them he was responsible for the appraisal. Mr. May stated that he used exhibit #4 which was not a beach front but he had made an adjustment for that.

The Council went into Deliberations at 11:02 am. Council discussed the comparables and the location of the property. The Council came out of deliberations at 11:15am.

Mr. Nickel made a motion, seconded by Ms. Trietley, for 90 days suspension, probation of 12 month period, monitoring on every 30 days intervals during the probation period, and a \$2000.00 fine. The motion carried by majority with Mr. Mandato recused. The hearing concluded at 11:23am.

Review and Approval of Minutes

June 16, 2015

The Council reviewed the minutes from the June 16, 2015. Ms. Trietley made a motion, seconded by Mr. Nickel, to approve the minutes as submitted. By unanimous vote, the motion carried.

Unfinished Business

Status of Complaints:

19-03-15 – Dismissed by the Division of Professional Regulation

19-04-15 – Dismissed by the Division of Professional Regulation

Mr. Baker stated that complaint number 19-03-15 and 19-04-15 had been dismissed by the Division of Professional Regulation.

Patrick Lorenz

Mr. Nickel stated that he prepared review reports, the Council reviewed the reports. Mr. Nickel stated that he had found substantial violations of USPAP and included a checklist in the summary of findings in the reports. Mr. Mandato made a motion, seconded by Ms. Ennis to propose to deny licensure based on USPAP violations in work product. The motion carried unanimously.

Continued Review of AQB Continuing Education Requirements and Council Rule 2.5.8

Ms. McAtee stated that she discovered that Council Rule 2.5.8 which gave continuing education credit to licensees that attended a Council meeting that was at least one hour in length violated the Appraisal Qualification Board (AQB) criteria for continuing education. Ms. McAtee stated that on page seven of the AQB criteria, effective on January 1, 2015, section (F)(2) stated that, "credit towards the continuing education hour requirements for each appraiser classification may be granted only where the length of the educational offering is at least two hours."

Council Rule 2.5.8 currently stated:

Rule 2.5.8 Continuing education credit may be awarded for participation in field trips, conferences, and trade association meetings, excluding travel time, if those activities specifically relate to real estate appraisal education, but for no more than eight (8) hours per licensure period. Continuing education credit may be awarded for attendance at meetings of the Council on Real Estate Appraisers. The meeting for which credit is sought must have been a minimum of one hour in duration and is subject to a one hour per meeting maximum. Continuing education credit for attendance at Council meetings is subject to a three hour per biennial renewal period maximum.

Ms. McAtee stated that on page eight of the 2015 AQB criteria section (F)(15) directly applied to credit offered for Council meetings:

- F. 15. State appraiser regulatory agencies may award continuing education credit to credentialed appraisers who attend a state appraiser regulatory agency meeting, under the following conditions:
 - a. Credit may be awarded for a single state appraiser regulatory agency meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours; and
 - b. The state appraiser regulatory agency must ensure that the credentialed appraiser attends the meeting for the required period of time.

In light of the discovery, Ms. McAtee requested Council to consider revising or striking the meeting credit section of Rule 2.5.8. Mr. Nickel suggested revising the meeting credit section of Rule 2.5.8 to reflect the language stated in (F)(15) of the 2015 AQB criteria. Council agreed to revise Rule 2.5.8.

Ms. McAtee stated that the revised rule would be presented at the October 20, 2015 meeting for review. In addition to that revision there would be others presented as well that dealt with licensure requirements. Ms. McAtee had been working with Mr. Maloney in order to incorporate AQB language into the Council's Rules and Regulations. Currently the Council's Rules and Regulations referred to the AQB criteria for licensing but nothing was listed in the Council's Rules and Regulations. Mr. Maloney stated that it would be best to have this language stated directly in the Council's Rules and Regulations so the public would be clearly aware of the requirements.

Mr. Maloney stated that it was a better practice to list requirements instead of referring to another publication or body of regulations.

New Business **New Complaints**

19-07-15
19-08-15

Ratification of Issued Licenses

Mr. Nickel made a motion, seconded by Mr. Mandato, to approve the ratification of the issued licenses listed below. By unanimous vote, the motion carried.

Michael G. Miller	CGRPA
Stephen J. Brennan	CGRPA
Rahman K. Harmon	CRRPA
Dennis J. Hurta	Temporary Practice Permit
Darryl L. Moeller	Temporary Practice Permit
Brian Lee Chandler	Temporary Practice Permit
Charles A. Bissell	Temporary Practice Permit
Brad E. Weinberg	Temporary Practice Permit
Cornelius Joseph Guiney	Temporary Practice Permit
Carl Parker	Temporary Practice Permit
Anne R. Lloyd-Jones	Temporary Practice Permit
Rodney G. Clough	Temporary Practice Permit
John Paul Williams	Temporary Practice Permit
Christopher J. Palubinski	Temporary Practice Permit
Charles G., II Linderman	Temporary Practice Permit
Anne R. Lloyd-Jones	Temporary Practice Permit
Tanya J. Pierson	Temporary Practice Permit
Land Gorilla, LLC	Appraisal Management Company
Value Trend Solutions, LLC	Appraisal Management Company
U.S. Real Estate Services, Inc.	Appraisal Management Company
Brad E. Weinberg	Temporary Practice Permit
Robert A. Kutney	CRRPA
Terence P. Farmer	Temporary Practice Permit

Review of Applications for Temporary Practice Permit

Martin H. Aaron

Mr. Nickel made a motion, seconded by Mr. Mandato, to approve Martin Aaron for temporary licensure. The motion carried unanimously.

Richard W. Latella

Ms. McAtee stated that the Board office was still waiting for information from Connecticut for Mr. Latella's application. The matter was tabled for further information.

Review of Application for Examination

Dan E. Mason Jr

Mr. Baker reviewed the application for examination of Dan E. Mason Jr. for Council. After review, Ms. Trietley made a motion, seconded by Mr. Mandato, to approve Mr. Mason to sit for the examination and approve licensure contingent on the successful completion of the examination and successful review of work product samples for USPAP compliance. By unanimous vote, the motion carried.

Experience Log Assignment for Report Selection and Review – None

Review of Report Selection (Work Product) – None

Question Pertaining to Trainees and Continuing Education – None

Question Pertaining to Continuing Education and License Upgrades – None

Petition to Lift Probationary Status – None

Continuing Education Activities for Approval

Mr. Nickel made a motion, seconded by Mr. Mandato, to approve the continuing education listed below. By unanimous vote, the motion carried.

Beach Appraisal Seminars

Highest and Best Use Analysis, 7 CE (classroom)

Philadelphia Metro Chapter of the Appraisal Institute

3 Hour Delaware Law, Rules and Regulations, 3 CE (classroom)

American Society of Farm Managers and Rural Appraisers

Rapid Fire Case Studies 2015, 6 CE (classroom)

ASFMRA 86th Annual Convention Day 1, 6 CE (classroom)

ASFMRA 86th Annual Convention Day 2, 3 CE (classroom)

Valuometrics.info

Stats, Graphs, and Data Science, 14 CE (classroom)

NAIFA

HUD Single Family Housing Policy Handbook – 4000.1 Appraisal Overview, 7 CE (classroom)

Other Business before the Council (for discussion only)

Reminder: 2015 Fall Seminar is on October 20, 2015

Check-in at 8:30 a.m., seminar 9:00 a.m. – 12:00 p.m.

Topic: "There Are No Comparable Sales!" – Speaker: Bill Beach

Location: Polytech, invitations went out with renewal information

Council meeting to follow at Division of Profession Regulation at 1:00 p.m.

Registration Deadline: October 2, 2015

Public Comment

Mr. Mangler stated that the Division was working on the iPad portal for meeting documents.

Next Meeting

The next meeting is scheduled for October 20, 2015 at 1:00 p.m. in Conference Room A second floor, Cannon Building, 861 Silver Lake Boulevard, Dover, Delaware.

Adjournment

Mr. Nickel made a motion, seconded by Mr. Mandato, to adjourn the meeting. There being no further business before the Council, the meeting adjourned at 12:43 p.m. The motion carried unanimously.

Respectfully submitted,



Flora Peer
Administrative Specialist II
Board Liaison

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Council members and the public in supplementing their personal notes and recall for presentations